

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF
SANDY VALLEY WATER DISTRICT

) CASE NO.
) 98-217

O R D E R

On April 24, 1998, Sandy Valley Water District ("Sandy Valley") applied for authority to adjust its rates pursuant to KRS 278.015 and Administrative Regulation 807 KAR 5:068. Sandy Valley further requested a deviation from the filing requirements of 807 KAR 5:068, Section 2(2),¹ which requires any purchased water adjustment to be based upon the applicant's water purchases for the 12-month period ending 90 days prior to the effective date of the applicant's proposed adjustment.

After review of the application, the Commission finds that Sandy Valley has not shown good cause for the requested deviation. Sandy Valley fails to explain why it cannot provide the required information. While it maintains its records on a calendar

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In the event there is an increase in the supplier's base rate, the water district or water association shall determine the increased cost of water purchased based on the twelve (12) month period ending within ninety (90) days immediately prior to the effective date of its rate adjustment to its customers. The cost of purchased water shall be calculated at the supplier's base rate and changed rate, as defined in Sections 1 and 2 of this administrative regulation. The difference in costs shall then be divided by the actual number of cubic feet or gallons sold during the same twelve (12) month period, yielding the purchased water adjustment in cents per cubic foot or gallon unit. This adjustment amount shall be added to all the utility's rate schedules on a per unit basis regardless of the customer class.

year basis, Sandy Valley does not assert that the required information is unavailable. On the contrary, such information can be gleaned from the monthly bills which Sandy Valley receives from its water suppliers. Equally important, the required information is more likely to reflect Sandy Valley's current purchasing patterns than the more dated information.

Assuming arguendo that good cause had been shown, the Commission finds that it has no legal authority to grant the requested deviation. Unlike other Commission regulations, Administrative Regulation 807 KAR 5:068 does not authorize the Commission to permit deviations from its requirements. In the absence of such provision, the Commission cannot grant the requested relief.²

IT IS THEREFORE ORDERED that:

1. Sandy Valley's request to deviate from Administrative Regulation 807 KAR 5:068, Section 2(2), is denied.

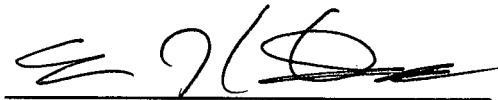
2. No later than 15 days from the date of this Order, Sandy Valley shall file the total gallons of water purchased from each of its suppliers during the 12-month period ending within 90 days of the effective date of the proposed rate adjustment and the total gallons which it sold during this 12-month period. If Sandy Valley fails to file this information with the Commission within the specified time, its application shall be dismissed.

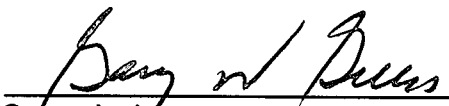
² In support of its application, Sandy Valley refers to Administrative Regulation 807 KAR 5:011, Section 14. This section governs only deviations from the requirements of Administrative Regulation 807 KAR 5:011 and does not apply to other administrative regulations.

Done at Frankfort, Kentucky, this 28th day of May, 1998.

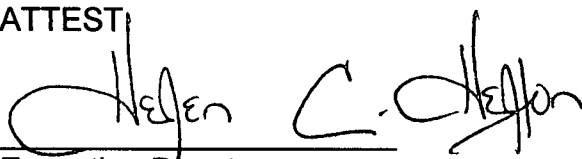
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